



Director of
Central
Intelligence

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OCEAS/CIG

CY# 285

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National Intelligence Daily

*Tuesday
9 August 1983*

~~Top Secret~~

CPAS NID 83-186JX

9 August 1983

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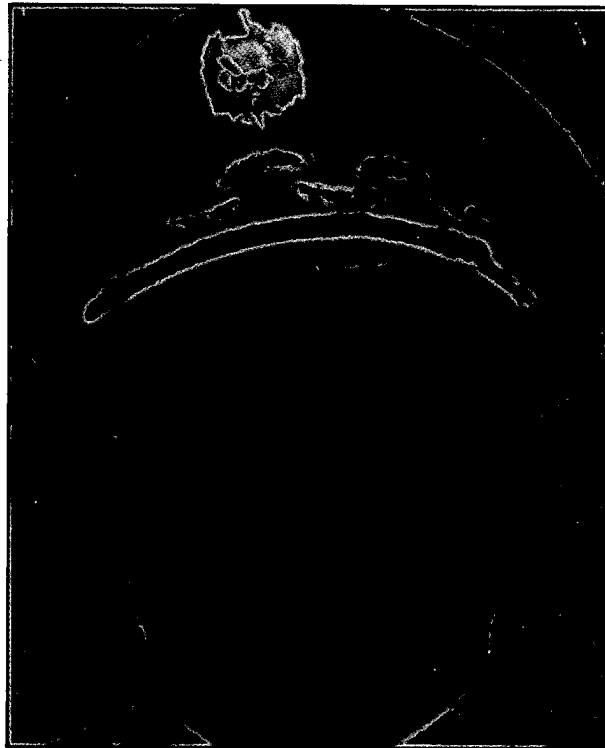
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**General Oscar Humberto
Mejia Victores**



Age 52 . . . Defense Minister under Rios Montt . . . graduate of Guatemala Military Academy . . . began career in Air Force but switched to Army in early 1970s . . . staunch anti-Communist . . . favors aggressive policy toward guerrillas . . . onetime airborne commander with some experience in counterinsurgency.

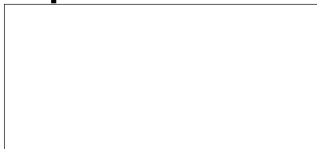
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GUATEMALA: Mejia Takes Over


The coup yesterday that replaced President Rios Montt with Minister of Defense Mejia Victores was widely supported in the military but probably will not produce new policies soon. 

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The senior commanders moved after it became clear that Rios Montt would not comply with their demands to remove several close military aides and evangelical advisers. 

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General Mejia said he would honor the schedule set by Rios Montt and the political parties for Constituent Assembly elections in July 1984. He has indicated that the tribunal overseeing the electoral process and the advisory Council of State will continue in their roles. 

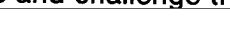
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The new Chief of State—Mejia has rejected the title of President—announced he will end the state of alarm today and will abolish the widely condemned system of secret courts. 


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Comment: General Mejia was a key supporter of Rios Montt when the officers attempted to remove the President in June. Mejia apparently was persuaded that the forces opposing Rios Montt were overwhelming and, for the sake of military unity, acceded to their plan. The implementation of a tax reform package last week and public speculation that the government was considering agrarian reform probably reinforced the officers' decision. 

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Mejia is likely to be an interim leader and could advance the election schedule. The older political parties—particularly the strong rightwing groups—probably will support the coup and urge quick elections. Some 20 new parties, however, may not have enough time to organize and challenge the traditional parties if the elections are advanced. 

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Mejia is unlikely to make substantial changes in either Guatemala's foreign policy or counterinsurgency program. He stated that the civilian defense forces will be strengthened and is likely to support civic action programs. 

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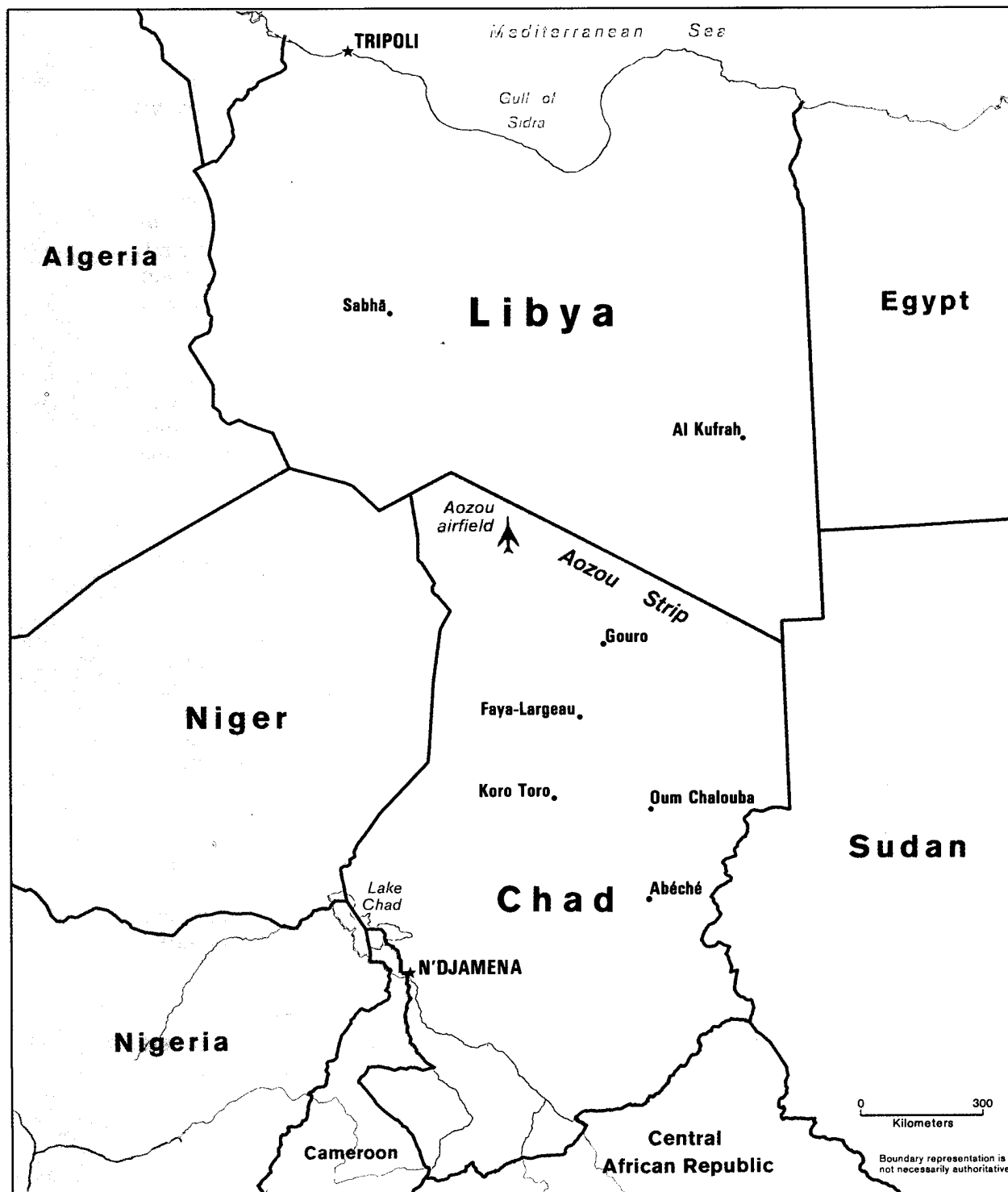
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LIBYA-CHAD: Military Developments

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More Libyan forces are moving toward Faya-Largeau.

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Chadian officials yesterday denied an unconfirmed report that government forces were ordered on Sunday to begin retreating from Faya-Largeau under cover of darkness. French officials say President Habre's troops are suffering supply shortages and morale problems.

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The US Embassy in Paris reports that French Defense Minister Hernu has clarified his recent remark that France would not go beyond an agreement made in 1976 to provide logistic support to Chad. Hernu said his statement did not signify a change in policy, and he made it clear that Paris retains the option of intervening.

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On Saturday four French Jaguar fighter-bombers and a tanker were shifted from Gabon to northern Cameroon for an exercise. French transport aircraft have been moved from Central African Republic to Chad.

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Comment: The threat of French air intervention is not deterring Libyan preparations for a ground attack on Faya-Largeau.

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Paris probably hopes that the recent lull in the fighting is the result of the ultimatum it delivered last Thursday. France warned Libyan leader Qadhafi that it would intervene unless Libyan air attacks ceased within 24 hours.

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If Habre's troops pull out of Faya-Largeau, they probably would fall back to Koro Toro. Dissident forces in Oum Chalouba would prevent a retreat eastward toward Abeche, Habre's former safehaven. This would leave only the forces at Abeche in the path of a dissident advance southward.

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CHAD: African Diplomatic Support

Chad's moderate neighbors fear the implications of a Libyan victory and privately support French and US actions but are not inclined to become directly involved. []

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US embassies in Africa report there is no OAU consensus on Chad. Nonetheless, the organization's interim secretary general—a Nigerian—is resisting Libyan pressure to condemn the US and has promised that secretariat actions will continue to be fair and restrained. []

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Nigeria, which is holding elections, has backed away from a decision to facilitate US military flights to N'Djamena. Other countries privately have criticized Libya's intervention, but they are unwilling to support anti-Libyan positions in international forums. []

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Ivory Coast, Senegal, Central African Republic, and Gabon privately favor the sizable Zairian troop commitment in Chad and are encouraging Paris to take stronger and more direct action to support President Habre. The Cameroonian Government is prepared to allow the possible staging of French Jaguar fighter-bombers in northern Cameroon. []

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Comment: Most Francophone West Africans view Chad as a test of French resolve. Several governments have questioned this resolve since President Mitterrand's election. []

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Expressions of overt African diplomatic support for Habre and for US and French efforts in Chad have been constrained by concern about France's commitment. They also have been limited by the fear that Libyan leader Qadhafi next will turn against moderates who voice support for Habre. []

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**President Abdou Diouf
of Senegal**



Age 47 . . . became President in 1981 . . .
was carefully groomed for the job by
ex- President Senghor . . . a
former technocrat . . . considered
one of Africa's most able and in-
telligent leaders . . . less susceptible
to French influence than the older
Francophile Senegalese.

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SENEGAL-US: President Diouf's Visit

Moderate, pro-Western President Diouf, who visits Washington this week, is preoccupied with the situations in Chad and Upper Volta and with his country's ailing economy. []

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The Senegalese Government is allowing US aircraft to transit Dakar and deliver materials to Chad, and Diouf will want to hear the US assessment of President Habre's prospects. He also will express concern about the coup in Upper Volta by pro-Libyan leader Sankara, and he will urge the US to continue countering Soviet and Libyan subversion in West Africa. Diouf has backed Western positions in the OAU, the UN, and the Nonaligned Movement. []

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Senegal's relations with the US generally are good, but France remains its principal economic and military benefactor. According to the US Embassy in Dakar, however, Senegal believes President Mitterrand's policies on Africa are weak. Diouf's increasingly close ties to the US have produced some concern in Paris that the US may be encroaching on its traditional preserve. []

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Domestically, Diouf is preoccupied with efforts to stem Senegal's prolonged economic decline. In the past year he has been forced to reschedule debts, appeal to France and to the oil-producing states in the Persian Gulf to increase their aid allotments, and negotiate another standby agreement with the IMF. []

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Diouf will sign the new IMF agreement while he is in Washington. The US Embassy reports that, when Diouf returns to Dakar, he will impose harsh and politically risky austerity measures. []

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Comment: On the basis of its past performance, the government is likely to have difficulty meeting the stringent IMF targets. The best Diouf can hope for in the near term is to slow the rate of economic decline. []

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Despite Senegal's economic woes, Diouf has emerged as a firm and competent leader. Although he and his moderate Socialist Party won easily in elections last February, his popularity probably will begin to wane if he is unable at least to begin reversing the economic slide in the next year. []

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USSR-IRAN: Soviet Criticism

Moscow's increasingly harsh public criticism of Tehran suggests that it sees little prospect for better relations. []

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An article in *Pravda* on Friday refuted recent attacks by Iranian clerics on Soviet-Iranian economic cooperation. Disagreements over the proper balance between contacts with East and West is a continuing focus of debate among the clerics. []

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A senior Soviet specialist on the Middle East late last month used a Soviet television program to criticize the Iranian parliament for blocking passage of laws nationalizing foreign trade and reforming the agricultural sector. He also blamed Tehran for the failure of recent Arab efforts to mediate an end to the war with Iraq. []

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In late June a deputy chief of the Central Committee's International Department wrote in a Soviet weekly that the Shiite clergy's rule is leading Iran toward "Islamic despotism." Other less authoritative Soviet media articles over the past two months have lashed out at individual Iranian leaders. Some broadcasts of the Soviet-sponsored "National Voice of Iran" have even called for popular opposition to the Khomeini regime. []

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The Soviets also continue to focus attention on Iranian support for the Afghan insurgents. Last week an article in *Izvestiya* contained the most detailed Soviet indictment of such Iranian activities and claimed that they have increased. []

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Comment: Moscow's tough stance follows the criticism of Iran enunciated by Foreign Minister Gromyko during his speech to the Supreme Soviet in mid-June. His remarks apparently reflected a conclusion by the Soviets that their restrained reaction to Tehran's dissolution of the Communist Tudeh Party and expulsion of 18 Soviet diplomats in early May had made no impact on Iranian leaders. []

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USSR: New Moves To Discipline Labor

The leadership has launched a new campaign in the past week to improve discipline among workers and to force those who avoid work into taking jobs. [redacted]

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Over the weekend *Pravda* announced a new decree to improve labor discipline that called for "tougher measures" against absentees, drunks, and other offenders. It provides for loss of pay and vacation privileges, demotion, or even dismissal for those guilty of such offenses. On the other hand, it promises to reward good workers with increased vacation time and greater opportunities for apartments and other benefits. [redacted]

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Pravda last week also published an article calling for a crackdown on "parasites"—individuals who manage to avoid work. The article claimed that forcing such people to work could ease the labor shortage. [redacted]

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The article also noted many citizens are now able to circumvent the existing laws and cited a letter from a reader demanding that people be brought to trial if they do not work at least eight months each year. [redacted]

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Comment: With the new decree, General Secretary Andropov appears to have gone well beyond the limited crackdown on labor that he initiated late last year. The decree suggests, however, that he is adopting a mixture of punishments and rewards. [redacted]

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Andropov probably hopes that a crackdown, which is popular with most citizens, will improve economic performance. Nonetheless, labor shortages throughout much of the country may cause managers to overlook many abuses. [redacted]

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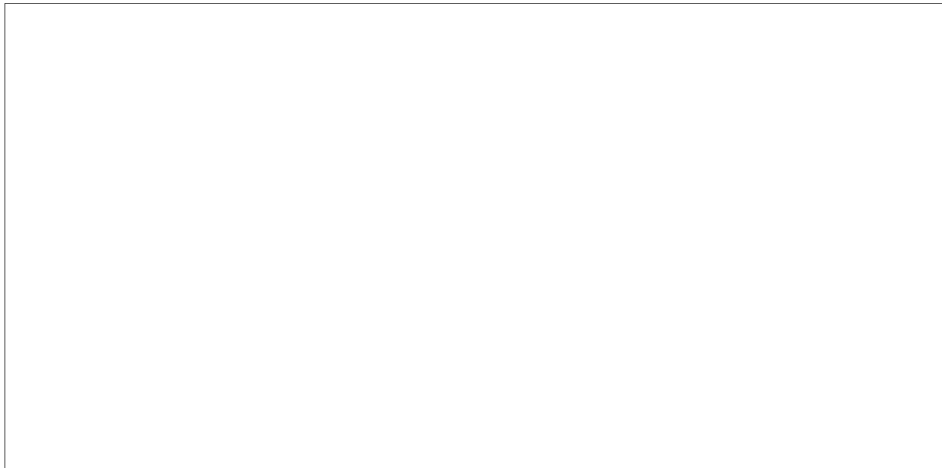
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GUYANA: More Anti-US Moves Ahead

Guyana has intensified its anti-US campaign in reaction to efforts by Washington to restrict the Burnham regime's access to foreign loans. Guyanese security personnel have placed the US Ambassador under close surveillance and have made several attempts to entrap Embassy officials in illegal or embarrassing actions. These moves coincided with public charges by senior officials that the US was engaged in acts of economic aggression and political subversion.



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Comment: The new wave of hostility followed the US announcement last week of its opposition to a \$40 million Inter-American Development Bank loan to Guyana's state-dominated rice industry, and the cancellation of two loans from the US Agency for International Development. Embassy officials report no indications of physical danger at this time, but they believe President Burnham will announced some dramatic new anti-US initiatives next week at his ruling party's annual congress. Possible moves include a shutdown of the USAID mission, more trumped-up charges against US officials, or the expulsion of one or two members of the Embassy's staff.



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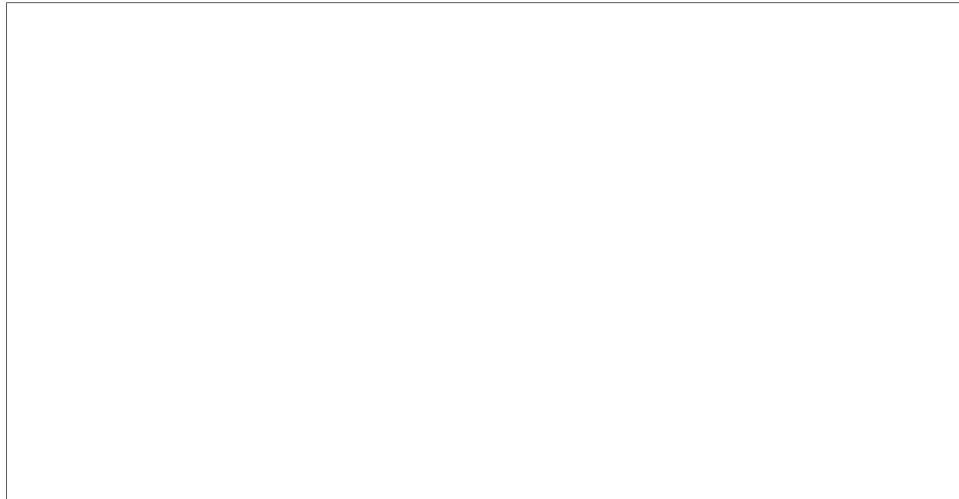


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MEXICO: Crackdown on Local Leftists

The dismissal last week of the largest leftist-run municipal administration reflects the ruling party's concern that radicals may win municipal elections scheduled for later this year, and it reflects Mexico City's determination to keep a lid on antigovernment activities. The US Embassy reports Mexico City used a preelection shootout in one of the largest cities in the southern state of Oaxaca to appoint a provisional government and postpone scheduled elections. The situation remains tense, however, because followers of the ousted mayor have refused to vacate city offices.

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Comment: Mexico City has long worried that leftist leaders in the city—allied with the Communist-dominated Unified Socialist Party—would become a focal point for the opposition in the region. The intransigence of the ousted officials could prolong the trouble and increases the risk of more bloodshed.

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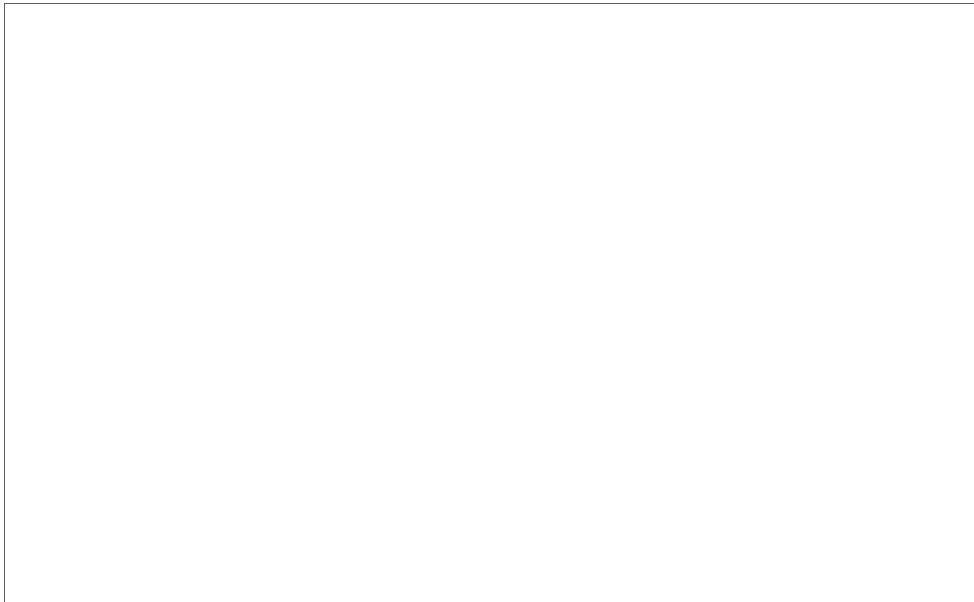
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VENEZUELA-NICARAGUA: Resumption of Oil Shipments

Venezuela has agreed to resume shipping crude oil to Nicaragua within one month, according to the US Embassy in Managua. Before halting deliveries a year ago because of lack of payment, Venezuela was supplying half of Nicaragua's oil. Mexico now is providing all of Nicaragua's oil, wholly on credit, and it recently has begun to urge payment and has delayed several shipments. [redacted]

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Comment:

[redacted] Managua probably has decided to use some of its meager foreign exchange holdings to ensure a continuing supply of oil and to end its dependence on Mexico as its sole source. [redacted]

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JAPAN-IRAQ: Credit Extension

Tokyo has agreed in principle to extend for five years the deadline on Iraq's use of a \$2.5 billion credit package, according to the US Embassy in Tokyo. The loan offer originally was to expire on 15 August. Differences still have to be resolved over the interest rate for the loans, which originally were offered during the 1970s. Iraq had used only a small portion of the funds before the war with Iran started, and Japan soon froze further disbursements. [REDACTED]

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Comment: Iraq needs all possible financial assistance in order to ease its foreign exchange shortage. Several Japanese companies already have deferred Iraqi payments or are receiving oil from Saudi Arabia on Iraq's behalf to help cover Iraq's \$1.8 billion debt to Japan. In 1982 Japanese companies reportedly were involved in projects in Iraq worth an estimated \$4.7 billion. Japan wants to maintain good economic relations with Iraq, but it will offer no new credits until the existing loans are fully disbursed. [REDACTED]

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GHANA: Financial Relief

The US Embassy reports that Ghana has concluded a one-year agreement with Libya for 24,000 barrels per day of crude and that Tripoli has agreed to refinance the \$95 million oil credit it granted in 1982. Accra has used the agreement to demonstrate to the IMF that enough financing of oil imports is available. The IMF then approved two loans for Ghana that will give the government access to roughly \$380 million over the next year and allow it immediately to arrange for much-needed imports. According to the Embassy, the IMF agreement also will enable Ghana to qualify for \$60 million in commercial financing. [REDACTED]

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Comment:

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[REDACTED] The Libyan crude oil will not meet all of Ghana's petroleum needs. The economically hard-pressed regime will have to spend an estimated \$8-10 million a month of the IMF and bank loans on spot market purchases [REDACTED]

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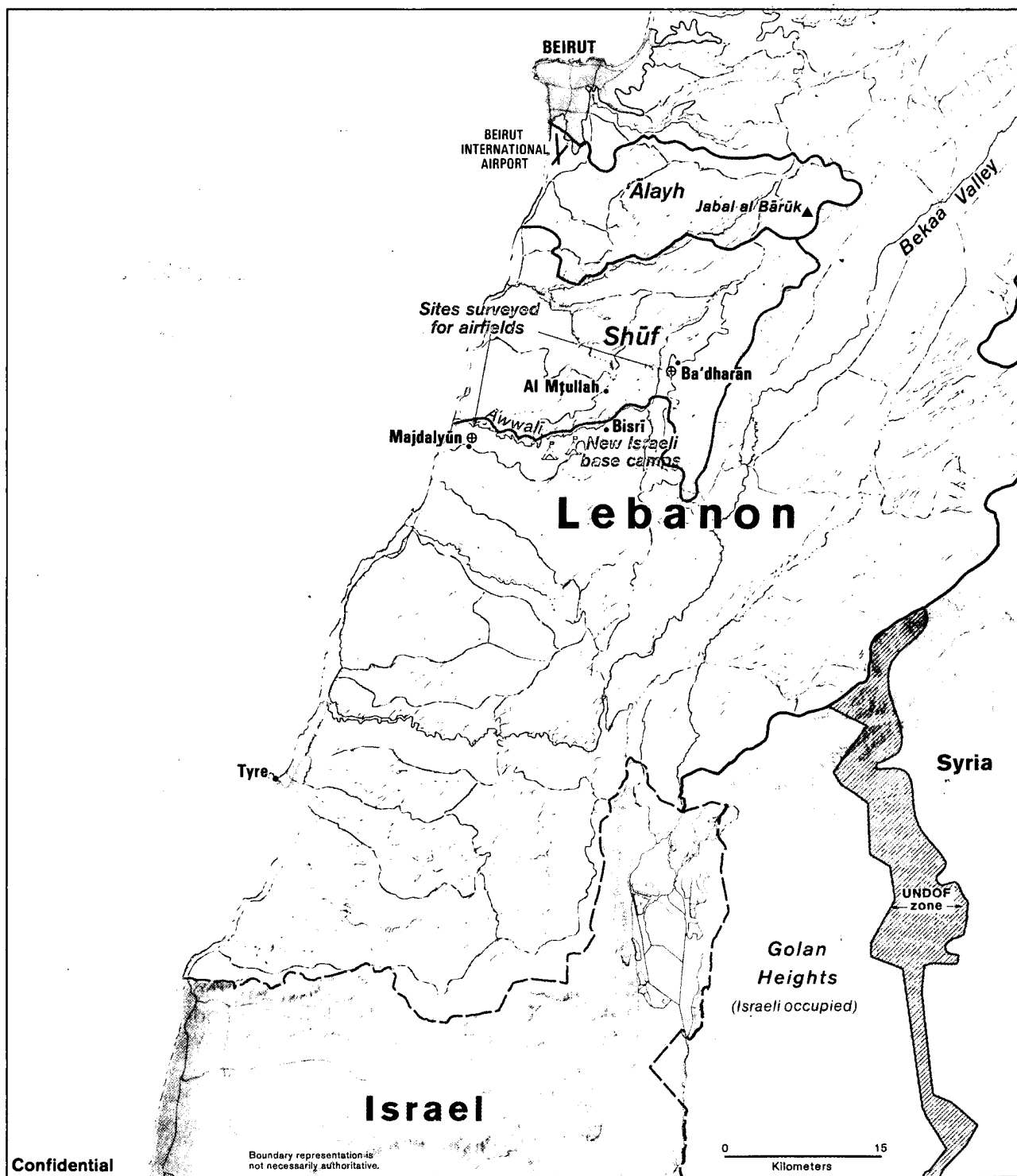
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Special Analysis

ISRAEL-LEBANON: Tel Aviv's Next Moves

Israel, following its decision to redeploy its forces in Lebanon, probably will focus its political efforts on ensuring President Gemayel's adherence to the Israeli-Lebanese agreement, looking for ways to put pressure on Syria to withdraw its forces, and improving relations with the Shia in southern Lebanon. Tel Aviv's security policies will focus on decreasing the number of Israeli troops in Lebanon in order to reduce casualties and to permit the Army to renew normal training activities. At the same time, the Israelis will strive to strengthen the forces of southern Christian militia leader Haddad, to limit the presence of the Lebanese Forces militia in the south, and to enlist the cooperation of the local Shia community.

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Tel Aviv will begin soon to withdraw its troops from the Shuf-Alayh region south to the Awwali River. The Israeli commander for the Shuf reportedly has said his forces would complete their redeployment before November, with or without Lebanese Army cooperation. Israel, however, will maintain its positions along the Jabal al Baruk ridgeline and in the Bekaa Valley.

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The prospects are not encouraging for a smooth turnover of vacated areas to the Lebanese Army. Several observers say that current Israeli-Lebanese military coordination is poor and that Lebanese Chief of Staff Tannous distrusts the Israelis, despite recent efforts by Israeli Chief of Staff Levy to assuage his suspicions.

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Tannous reportedly refuses to authorize combined reconnaissance patrols in preparation for a turnover because he believes the Israelis provoked the clash in the Shuf last month between his forces and Druze militiamen.

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He added that this arrangement is acceptable to Israel.

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Measures To Maintain Control

As the Israelis prepare to redeploy, they will want to ensure that all military units south of the Awwali River are subject to their control and that Haddad's forces have unchallenged authority. If any Lebanese Forces elements are permitted to remain in the area, their

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activities will be strictly regulated. The Lebanese Army will be under similar constraints when it moves into the south. [REDACTED]

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The US defense attache in Beirut reports intense Israeli construction activity south of the Awwali, an indication that Israel is preparing for a prolonged stay. Two new military camps have been built near Bisri, local access roads in the area have been improved or extended, and a new high-speed highway linking Bisri with Al Mtullah is planned. [REDACTED]

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Other high-speed roads also are under construction or are planned in the southern part of the Bekaa Valley. In addition, two possible new airstrip sites near Majdalyun and Ba'dharan have been surveyed. [REDACTED]

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Once the Israeli Army takes up its new positions, Tel Aviv probably will be able to decrease its troop strength in Lebanon from 13,000 to less than 9,000. When the planned high-speed road network is finished, Israel may further reduce the number of its troops in Lebanon by moving some of them to the Golan Heights. Casualties from guerrilla attacks are unlikely to decrease substantially, however, because the majority of them occur in the coastal region and in the south. [REDACTED]

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Political Goals

Israel's main objective in the coming months in Lebanon will be to prevent the Lebanese from moving away from the accord signed in May. The Israelis suspect that President Gemayel, under pressure from Syria and domestic opponents of the agreement, is looking for ways to avoid putting it into effect. [REDACTED]

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The agreement is the major political achievement that Israel realized from its invasion, and Prime Minister Begin's government has a great deal of political capital invested in its success. According to a senior Israeli official, Tel Aviv places particular importance on the trade and normalization aspects of the accord. [REDACTED]

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Tel Aviv sees contacts between senior Lebanese and Israeli officials as the best way to strengthen Lebanon's support for the agreement. Israel is likely to seek US help in arranging these meetings. It also will want the US to put pressure on Lebanon to follow through on other aspects of the agreement, particularly an exchange of the instruments of ratification. [REDACTED]

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In addition, Israel has privately urged the Lebanese Government to do more to meet the demands of key non-Christian groups for greater participation in the central government. The Israelis hope this will lessen domestic opposition to the agreement. [REDACTED]

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The Syrian Obstacle

Israel sees Syria's intransigence as a major stumblingblock to implementation of the agreement, but it has no long-term strategy for dealing with Damascus. The Israelis probably hope that continuing US-Israeli-Lebanese contacts will convince Syria that its strategy of blocking the accord by sitting tight is not working and lead it to consider joining the negotiations. [REDACTED]

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Some senior members of the Begin government are likely to advocate commando attacks on Syrian forces in Lebanon and other "unorthodox methods" to prod Damascus on troop withdrawal. The government, however, appears to be relying almost entirely on US efforts to move Syria. [REDACTED]

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Some Israelis have suggested that, in order to break the impasse, Israel will have no choice but to open indirect contacts with Syria and recognize Syria's security interests in Lebanon. Last month a leading official of the Labor Party said that Israel should return to the policy on Lebanon that it followed in the 1970s—offering to reach a tacit agreement with Syria on zones of influence in Lebanon. [REDACTED]

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Begin would find such a policy difficult to endorse, however, because it would amount to partition. As a result, the prospects for a direct Syrian-Israeli dialogue in the near term will remain slim. [REDACTED]

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